

m/027/032

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June 29, 2004

D. Wayne Hedberg
Permit Supervisor, Minerals Regulatory Program
State of Utah
Department of Natural Resources
1594 West Temple, Suite 1210
P.O. Box 145801
Salt Lake City, Utah 84114-5801

Re: Your certified letter dated April 12, 2004, apparently re-mailed by regular delivery about May 19, 2004.

Dear Mr. Hedberg;

The problems with delivery of letters addressed to me is that they are sent to the mine site address and the post office will apparently not recognize that address as mine for certified mail. This apparently happened to both your letter as dated and Sherry K. Hirst's letter dated May 11, 2004.

After finally receiving this letter, Red Dome has contacted the consulting biologists mentioned in the meeting notes attached by Mr. Munson. Miss Mindy Wheeler is scheduled to begin the inventory and work in August, 2004 as she is unable to do so before hand. Other persons mentioned were contacted but were unavailable for various reasons. Primarily as a result, Red Dome is requesting an extension of time of 90 days from the date implied to "submit a revised notice of Intention to Commence Large Mining Operations", if necessary, as requested in your letter.

Mr. Lee Miller and I am also perplexed by other contents of the letter requesting;

- baseline soils information . . .
- baseline hydrology information (surface and groundwater)
- Approvals of variances from the Division of Air Quality;
- Specific information about protection of the public from potential hazards of the mine.
- maps and cross sections showing those areas that have been mined and those

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areas to be mined, areas that were mined prior to 1975 and have not been re-affected, surface facilities, berms and fences, highwalls, roads, and reclamation treatment; and

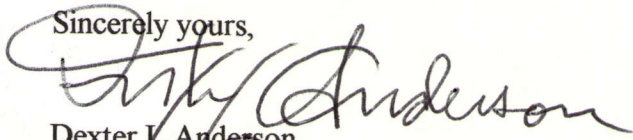
A complete reclamation plan showing what backfilling and grading will be done and how the area will be restored to the premining or an alternative post-mining land use."

Our memory of the meeting is that the baseline soils information was satisfied by the soils survey information I provided to you that day and mentioned in Mr. Munson's notes. Also, the only remaining requirement over and above our February 20, 2004 submission was the vegetation information, which will not be available until August, 2004. The other apparent insurmountable demands of your letter listed above are a surprise to us based on our understanding of the meeting. We left the meeting feeling a good deal of understanding had been reached and that we would shortly be able to complete a plan that could be realistically accomplished by Red Dome and workable with both the BLM and your department.

For example, do you expect Red Dome to now hire civil engineers to provide the "hydrology information", "air quality measurements", "public protection plans", "maps with detail surveyed cross sections", and "reclamation plan"? Our position is that these requirements have been reasonably met under the circumstances and the history of the operations, and addressed in the plan submitted. Will you please advise us, in your view just how these requirements may be satisfied, other than by what has been presented?

It has also been our position that the bond presently posted is more than sufficient to satisfy the reclamation requirements, and as stated to you several times, our goal is to keep the plan within the parameters of the bond posted. The present submitted plan makes this clear. We have never agreed that the bond was insufficient, or that it was interim, nor that it is assumed that Red Dome would need to post a different bond in the future ten years.

Sincerely yours,

A handwritten signature in dark ink, appearing to read "Dexter L. Anderson". The signature is fluid and cursive, with the first name "Dexter" being more prominent and the last name "Anderson" following in a similar style.

Dexter L. Anderson,
cc. Sherry K. Hirst